

Minutes of the Finance Committee

Wednesday, November 18, 2009

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl (Chair), Pamela Meyer, Steve Wimmer, Rob Hutton, Bill Zaborowski, and Jim Heinrich. Jean Tortomasi arrived at 9:54 a.m. and Hutton left at 11:02 a.m.

Also Present: Chief of Staff Mark Mader, County Board Supervisor Dave Swan, Business Manager Lyndsay Johnson, Sheriff Dan Trawicki, Inspector Steve Marks, Corporation Counsel Tom Farley, Budget Manager Keith Swartz, Architectural Services Manager Dennis Cerreta, Collections & Business Services Manager Sean Sander, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, Medical Examiner Dr. Lynda Biedrzycki, Principal Assistant Corporation Counsel Danni Caldwell, Senior Financial Analyst Bill Duckwitz, Clerk of Circuit Courts Kathy Madden, UW-Extension Director Marcia Jante, Commercial Horticulture Educator Kristin Krojowski, Budget Manager Keith Swartz, and Register of Deeds Jim Behrend. Recorded by Mary Pedersen, County Board Office.

Public Comment

Swan spoke in support of a City of Pewaukee/Sheriff contract for police services and he referred to a November 17 *Lake Country Reporter* Q&A article on this issue.

Approve Minutes of 11-04-09

MOTION: Heinrich moved, second by Zaborowski to approve the minutes of November 4. Motion carried 6-0.

Schedule Next Finance Committee Meeting Date(s)

Haukohl said the next meeting will be held on December 9 and it could extend into the afternoon.

Executive Committee Report of 11-16-09

Haukohl advised of the following items discussed at the last Executive Committee meeting.

- Approved Ordinance 164-O-060, also on today's agenda.
- Approved minimum sale prices for foreclosed parcels valued at less than \$5,000.
- Heard an update by Waukesha County Economic Development Corp. Director Bill Mitchell on additional funding for green/sustainable initiatives with local businesses.
- Heard standing committee reports. Citing Zaborowski's concerns, Haukohl had asked that a discussion of the capital projects review process be agendaized for a future meeting.

Review Correspondence

- Vanguard article entitled "What's causing the slump in muni bond ratings?"

Ordinance 164-O-062: Authorize Waukesha County Sheriff to Contract for Police Services with the City of Pewaukee

Trawicki, Marks, Johnson, and Farley were present for discussion. Copies of the contract were distributed. Trawicki said the contract includes 18 FTE deputy positions. All costs will be recovered from the City including directs and indirects. He advised that Farley was actively involved in drafting

the contract which is the same as their other contracts. To answer Haukohl's question, Farley said the City is liable for any unemployment costs and while this is not mentioned in the ordinance, it is clearly written into the contract. Trawicki noted the City has funds budgeted for overtime costs based on a 5-year average plus some additional funding if necessary. At Heinrich's request, copies of the actual contract were disbursed to committee members for their review.

MOTION: Wimmer moved, second by Heinrich to approve Ordinance 164-O-062. Motion carried 6-0.

Contract Procurement Process for Health & Human Services Architect/Engineer Services

Cerreta advised the contract was awarded to Zimmerman Architectural Studios, the highest rated proposer, for a total contract cost of \$990,085 for five years. The first year budgeted amount was \$155,000 and the first year cost was listed at \$153,500. A total of 16 vendors submitted RFP's for consideration.

MOTION: Heinrich moved, second by Meyer to approve the contract procurement process for Health & Human Services architect/engineer services. Motion carried 6-0.

Contract Procurement Process for Health & Human Services Construction Management Services

Cerreta indicated the contract was awarded to Gilbane Building Company, the highest rated proposer, for a total contract cost of \$1,300,000 for five years. The first year budgeted amount was \$95,000 and the first year cost was listed at \$95,000. A total of 10 vendors submitted RFP's for consideration.

MOTION: Heinrich moved, second by Zaborowski to approve the contract procurement process for Health & Human Services construction management services. Motion carried 6-0.

Contract Procurement Process for Financial Advisor Services

Ries said the contract was awarded to Robert W. Baird & Co., the highest rated proposer, for a total contract cost of \$64,485 for five years. The first year budgeted amount was listed at \$15,000 to \$25,000 and the first year cost is listed at \$12,667. A total of five vendors submitted RFP's for consideration.

MOTION: Wimmer moved, second by Hutton to approve the contract procurement process for financial advisor services. Motion carried 6-0.

3rd Quarter Report on Investments

Ries referred to his report which included information on investment highlights, valuation at cost and valuation at market, total County investment income, and investment portfolios. The return for the 3rd quarter was up 27 basis points from last quarter, to 1.01%. The increase was due largely to one-time gains on sales of securities in the JP Morgan and Galliard portfolios in the amount of \$713,000 in the 3rd quarter which inflated the return. There was also a one-time adjustment in the Dana and Galliard portfolios of \$63,900 due to a change in interest accruals following an upgrade in the County's SymPro investment software. Without those gains and adjustments, the return would have decreased by 11 basis points in the 3rd quarter. Total investment earnings for the quarter were \$2,069,691, up \$692,696 from the 2nd quarter, and up \$252,359 from the 3rd quarter of 2008.

Hutton left the meeting at 9:40 a.m.

MOTION: Meyer moved, second by Zaborowski to accept the 3rd quarter report on investments. Motion carried 5-0.

Tortomasi arrived at 9:54 a.m. and Hutton returned at 9:57 a.m.

Ordinance 164-O-061: Approve Referral Agreement with Organ Procurement Organization

Biedrzycki and Caldwell were present to discuss this ordinance to approve an agreement between the Medical Examiner's Office and the Wisconsin Tissue Bank and the Blood Center of Wisconsin for the procurement of medically useful tissue and organs from decedents in the custody of the Medical Examiner. Under the agreement, the Wisconsin Tissue Bank will pay the County an annual administrative fee of \$33,600 as well as a morgue fee of \$400 per use and a staff fee of \$325 per use for the period of October 15, 2009 through October 14, 2010. The Pro Rata portion to the end of the contract term in 2010 is \$25,200 which is included in the 2010 proposed budget. Biedrzycki noted this is not a new concept but the contract is new. Caldwell said they went out for an RFP and only one vendor responded.

Haukohl asked if this covers their costs whereby Biedrzycki said yes. She indicated they are being more generously compensated this time because the vendor volunteered to pay more. Staff had asked for a \$2,400 minimum bid to cover costs and the bid was for \$2,800.

MOTION: Tortomasi moved, second by Wimmer to approve Ordinance 164-O-061. Motion carried 7-0.

Fund Transfer 09-212200-01: Circuit Court Services – Transfer Funds from Personnel Costs to Operating Expenses and Interdepartmental Charges

Madden and Snow discussed this fund transfer as outlined which involves transferring \$180,000 as service volumes will exceed budget projections and funding for court appointed attorneys, guardian ad litem services, medical assessments, and Sheriff conveyance services. Staff indicated funds are available because 3.5 regular full-time positions have been held open. If 4th quarter operating expenses continue to run higher, they may request a contingency fund transfer. This situation is being monitored closely and if this transfer becomes necessary, it will occur in December.

MOTION: Hutton moved, second by Heinrich to approve Fund Transfer 09-212200-01, Circuit Court Services. Motion carried 7-0.

Fund Transfer 09-120000-01: UW-Extension – Transfer Funds from Operating Expenses to Personnel Costs

Jante discussed this fund transfer which involves transferring \$2,500 to cover estimated above-budget health insurance costs after a part-time clerical position turned over in 2008 resulting in a change in employee health plans associated with that position from single coverage to family coverage. Funds are available due to estimated lower than budgeted expenditures for state "133 Contract" educators.

MOTION: Heinrich moved, second by Wimmer to approve Fund Transfer 09-120000-01. Motion carried 7-0.

Ordinance 164-O-060: Modify the Waukesha County UW-Extension Budget to Accept the United States Department of Agriculture's Agriculture Marketing Service Grant for the Farmers' Market Promotion Program (FMPP)

Jante, Krojowski, and Duckwitz were present to discuss this ordinance to accept a \$35,296 federal grant to help promote successful and sustainable farmers' markets through the development of a statewide Wisconsin farmers' market association and an association website. Jante advised there has been a tremendous growth in the number of farmers' markets in SE Wisconsin. Krojowski explained how this

program fits into a larger program she has been working on for the last six years. She said one goal is to increase profit margins for these farmers and work to keep them on the farm. They will also work on marketing and selling products directly at venues that attract customers. They will further educate market managers and work to decrease turnover due to high job demands. Managers consist of volunteers, paid workers earning about \$10 per hour, or municipal workers who do this as part of their job description. The association will connect managers so they can share information and provide them with a website that contains a variety of information including help with creating brochures. There are currently eight fully established farmers' markets in Waukesha County plus a few smaller markets. The grant period for this project is from October, 2009 through September, 2011.

For informational purposes, Krojowski distributed copies of *Farm Fresh Atlas of Southeastern Wisconsin 2009* and a UW-Extension publication on keeping markets strong and sustainable.

MOTION: Hutton moved, second by Meyer to approve Ordinance 164-O-060. Motion carried 7-0.

3rd Quarter Report on General Funds

Swartz and Duckwitz discussed their report as outlined entitled "9 Months – 2009 Budget Monitoring Summary Report – General Fund Operations." Expenditures for nine months, year-to-date 2009 were at \$65.9 million which compares to \$66.5 million for this same nine-month period in 2008. YTD expenditures were at 66.9% of the 2009 modified budget compared to 70.3% YTD as a percentage of total 2008 actuals, based on a higher 2009 modified expenditure budget base. Total year 2009 estimated expenditures were at \$96.0 million compared to the \$98.5 million modified 2009 budget. Revenues for nine months, YTD, were \$26.9 million compared to \$26.1 million for the same nine-month period in 2008. Revenues YTD were at 65.4% of the 2009 modified budget compared to 66.6% of total 2008 actual revenues. Total year 2009 estimated revenues (excluding tax levy and fund balance) were at \$39.3 million compared to the \$41.1 million 2009 modified budget.

Swartz noted this report does not include medical expenses the County has incurred, or will continue to incur, due to the recent shooting of an inmate by Sheriff personnel at Waukesha Memorial Hospital.

Hutton left the meeting at 11:02 a.m.

MOTION: Tortomasi moved, second by Wimmer to accept the 3rd quarter report on General Funds. Motion carried 6-0.

Future Agenda Items

- Review Policy of Not Including Contracts with Ordinances (Haukohl, Heinrich)

MOTION: Meyer moved, second by Wimmer to adjourn at 11:26 a.m. Motion carried 6-0.

Respectfully submitted,

Pamela Meyer
Secretary